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DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2017

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that POSCO received countervailable subsidies that are above *de minimis* and that Hyundai Steel Co., Ltd. (Hyundai Steel) received countervailable subsidies that are *de minimis*. The period of review (POR) is January 1, 2017 through December 31, 2017. We invite interested parties to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Yasmin Bordas or Moses Song, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3813 and (202) 482-7885, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 15, 2018, Commerce published a notice of initiation of an administrative review of the countervailing duty order on certain cold-rolled steel flat products (cold-rolled

steel) from the Republic of Korea.¹ On July 8, 2019, Commerce extended the deadline for the preliminary results of this review to no later than November 1, 2019.² For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by the order is cold-rolled steel. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 57411, 57418 (November 15, 2018).

² *See* Memorandum, "Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2017," dated July 8, 2019.

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2017: Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, the only preliminary subsidy rate above *de minimis* is the rate calculated for POSCO. Therefore, for the companies for which a review was requested that were not selected as mandatory respondents, for which we did not receive a timely request for withdrawal of review, and for which we are not finding to be cross-owned with the mandatory company respondents, we are applying the subsidy rate calculated for POSCO.

Preliminary Results of Review

In accordance with 19 CFR 351.224(b)(4)(i), we calculated individual subsidy rates for Hyundai Steel and POSCO. For the POR, we preliminarily determine that the net subsidy rates for the producers/exporters under review to be as follows:

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Company	Subsidy Rate (percent <i>ad valorem</i>)
POSCO ⁵	0.59
Hyundai Steel Co., Ltd.	0.45
Dongbu Steel Co., Ltd.	0.59
Dongbu Incheon Steel Co., Ltd.	0.59
Dongkuk Steel Mill Co., Ltd.	0.59
Dongkuk Industries Co., Ltd.	0.59
Euro Line Global Co., Ltd.	0.59
Hanawell Co., Ltd.	0.59
Hankum Co., Ltd.	0.59
Hyuk San Profile Co., Ltd.	0.59
Nauri Logistics Co., Ltd.	0.59
Taihan Electric Wire Co., Ltd.	0.59
Union Steel Co., Ltd.	0.59

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP 15 days after publication of the final results of this review.

⁵ We note that cross-ownership exists between POSCO, POSCO Chemtech (also known as POSCO Chemical Co., Ltd.), POSCO Nippon Steel RHF Joint Venture Co., Ltd., POSCO Processing and Service, Pohang Scrap Recycling Distribution Center Co., Ltd., and POSCO M-Tech. We also note that POSCO has an affiliated trading company through which it exported certain subject merchandise, POSCO Daewoo Corporation (also known as POSCO International Corporation). See Preliminary Decision Memorandum at 9.

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We intend to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁶ Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance at a date to be determined. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁷ Parties who submit case briefs or rebuttal briefs are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁸

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.⁹ Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed.

⁶ See 19 CFR 224(b).

⁷ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

⁸ See 19 CFR 351.309(c)(2) and (d)(2).

⁹ See 19 CFR 351.310(c).

If a request for a hearing is made, Commerce will inform parties of the scheduled date of the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined.¹⁰ Issues addressed during the hearing will be limited to those raised in the briefs.¹¹ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

Notification to Interested Parties

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 19 CFR 351.222(b)(4).

Dated: November 1, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

¹⁰ See 19 CFR 351.310.

¹¹ See 19 CFR 351.310(c).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Use of Facts Otherwise Available
- VIII. Analysis of Programs
- IX. Recommendation

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